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FOR IMMEDIATE RELEASE

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PRESS RELEASE

**SEVEN MEMBERS AND ASSOCIATES OF THE COLOMBO AND LUCHESE ORGANIZED
CRIME FAMILIES PLEAD GUILTY TO RACKETEERING AND EXTORTION IN
CONNECTION WITH BOILER ROOM STOCK FRAUD SCHEMES**

Roslynn R. Mauskopf, United States Attorney for the Eastern District of New York, announced the guilty pleas of Colombo Family captain JOSEPH BAUDANZA, his brother, Colombo Family soldier CARMINE BAUDANZA, Colombo Family soldier CRAIG MARINO, Colombo Family associates CRAIG LESZCZAK, ROBERT PODLOG, and ARTHUR GUNNING, and Luchese Family soldier JOHN BAUDANZA, the nephew of JOSEPH BAUDANZA. The guilty pleas today of CARMINE BAUDANZA and JOHN BAUDANZA before United States Magistrate Judge Cheryl L. Pollak represent the sixth and seventh defendants to plead guilty in this district within the past week.

On March 23, 2006, an indictment was unsealed charging the defendants with wide-ranging criminal activity, including a racketeering conspiracy involving securities fraud, extortion, witness tampering, kidnaping, and money laundering. All but GUNNING, who pled guilty to extortion, have pleaded guilty to a Colombo family racketeering conspiracy that used extortion to make money from stock manipulation at several brokerage firms. When sentenced, each defendant faces a maximum term of imprisonment of 20 years' incarceration and a \$250,000 fine.

The guilty pleas are the culmination of a four-year investigation and prosecution of the Colombo Family's infiltration of brokerage firms that specialized in selling "penny" stocks, or stocks of a corporation that traded for under \$5. The defendants admitted to exploiting their ties to the racketeering enterprise to further their financial interests in the criminal schemes, by using

extortionate tactics to control brokers, cold callers, and others affiliated with branch offices of brokerage firms formerly located in Brooklyn, Manhattan, and Staten Island, including Ash Financial Corporation, Amerivet Dymally Securities, Inc. (later known as TYM Securities, Inc.), Barron Chase Securities, Inc., Grady and Hatch & Company, Inc., Couch and Company, Inc., L.H. Ross & Company, Inc., and Yankee Financial Group, Inc.

“We are committed to eliminating the corrupting influence of organized crime from the financial community and to ensuring the legitimacy of our securities markets,” stated United States Attorney **Mauskopf**. “Investors are entitled to a level playing field.” Ms. **Mauskopf** thanked the Federal Bureau of Investigation (New York Field Office), United States Securities and Exchange Commission, Internal Revenue Service, Criminal Investigation (New York), and the National Association of Securities Dealers, Department of Enforcement, for their extensive assistance in the investigation.

The government’s case is being prosecuted by Assistant United States Attorneys Patricia E. Notopoulos, Tanya Y. Hill, and Jennifer E. Schantz.

The Defendants:

CARMINE BAUDANZA

Age: 64

JOHN BAUDANZA

Age: 37

JOSEPH BAUDANZA

Age: 62

ARTHUR GUNNING

Age: 41

CRAIG LESZCZAK

Age: 32

CRAIG MARINO

AGE: 37

ROBERT PODLOG

AGE: 33